

**SUMMARY OF THE MEETING OF THE  
ARIZONA STATE RETIREMENT SYSTEM  
INVESTMENT COMMITTEE**

**HELD ON**

**Thursday, December 11, 2008  
10:00 a.m.**

The Investment Committee (IC) of the Arizona State Retirement System (ASRS) met at 3300 N. Central Avenue, 14th Floor Conference Room, Phoenix, Arizona 85012. Mr. Lawrence Trachtenberg, Chair of the IC, called the meeting to order at 10:14 a.m., Arizona Time.

**1. Call to Order; Roll Call; Opening Remarks**

Present: Mr. Lawrence Trachtenberg, Chair  
Mr. Christopher Harris, Vice-chair  
Mr. Thomas Connelly  
Absent: Mr. James McLaughlin

A quorum was present for the purpose of conducting business.

**2. Approval of the Minutes of the November 7, 2008 and December 1, 2008, IC Meetings**

**Motion:** Mr. Christopher Harris moved the minutes of the November 7, 2008 and December 1, 2008, IC meetings be adopted as presented. Mr. Thomas Connelly seconded the motion.

By a vote of 3 in favor, 0 opposed, 0 abstentions, and 1 excused, the motion was approved.

**3. Presentation, Discussion, and Appropriate Action Regarding Capital Market Assumptions and Tactical Investment Strategies**

Mr. Gary R. Dokes, Chief Investment Officer (CIO), introduced the topic. At the November 7, 2008 IC meeting, Meketa was directed to modify their capital markets assumptions to include both short- and long-term expected rates of return and present tactical investment opportunities for debate and consideration.

Mr. Stephen McCourt, Managing Principal, Meketa Investment Group, presented Meketa's Tactical Review of Capital Market Opportunities. The review was divided into four sections: (1) current macroeconomic environment, (2) Meketa's Asset Class Return Assumptions - long-term (twenty years) and short-term (three years), (3) investment opportunities and risks, and (4) strategic investment considerations. A comprehensive discussion ensued.

#### **4. Presentation, Discussion, and Appropriate Action Regarding a Statutorily Required Divestment Policy**

Mr. Paul Matson, Director, introduced the topic. Mr. David Underwood, Equity Portfolio Manager, explained that staff and the RiskMetrics Group have decided to compile a list of companies possibly in violation of Section 6(j) of the Export Administration Act. Because more information must be gathered to make a decision, staff recommends no motion at this time.

#### **5. Presentation, Discussion, and Appropriate Action Regarding the 2009 Investment Committee Meeting Schedule**

The IC Trustees discussed the IC Meeting Schedule for the coming year. They decided to schedule ten regular IC Meetings per year. With the concurrence of the IC Chair, additional meetings can always be scheduled given the timely nature of the topics to be discussed and actions to possibly be taken. Meetings can be canceled by the IC Chair if there are no agenda items for that meeting.

#### **6. Call to the Public**

No members of the public requested to speak to the IC.

The meeting adjourned at 1:33 p.m.

Respectfully submitted,

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Lisa Hanneman, Secretary                      Date

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Gary R. Dokes, Chief Investment Officer                      Date